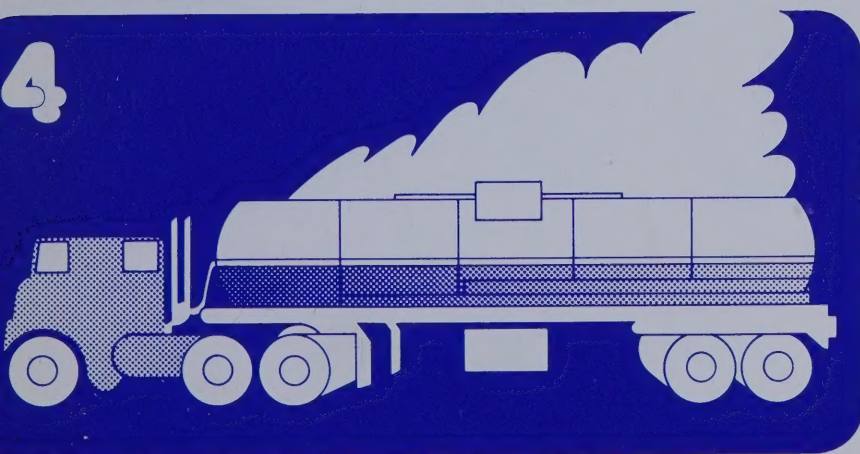
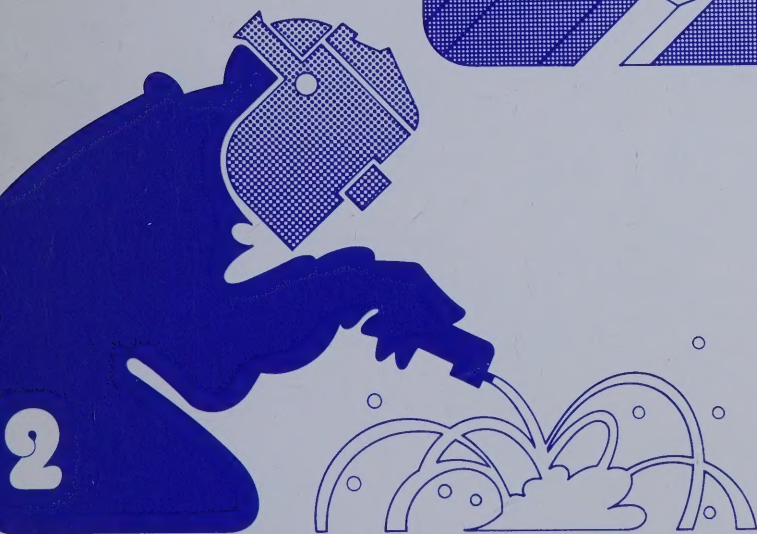
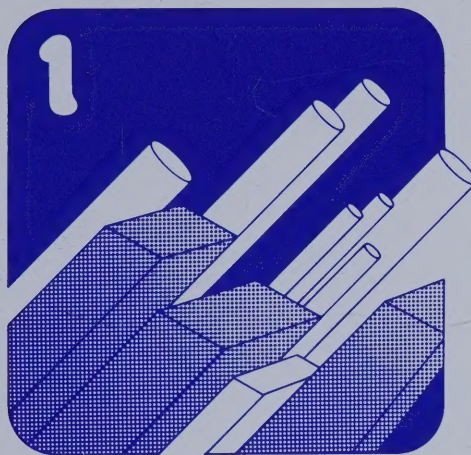


AR24



On the cover are represented some of the various products and services offered by Teledyne Canada.

Shown are:

- 1:** Tool steels, die steels, stainless steels and high temperature alloys.
- 2:** Welding alloys and equipment for hardfacing metal surfaces to increase their resistance to wear and corrosion.
- 3:** Sheet metal products, including cabs for off-the-road vehicles, air compressor housings, and related items.
- 4:** Manufacture of special liquid bulk cargo trailers, metal storage facilities and related products.
- 5:** Production of ductile and grey iron castings.
- 6:** Rock drilling equipment, air and hydraulic cylinders, Mercedes Benz Unimog diesel tractors and allied underground mining equipment.
- 7:** Transport of cement, dry bulk and liquid bulk chemicals and commodities.

FOR IMMEDIATE RELEASE

AR24

TELEDYNE CANADA EARNINGS UP IN FIRST HALF

Teledyne Canada Limited reported earnings per share of 22¢ for the six months ending April 30, 1973 compared with 10¢ for the same period a year earlier. Net income was \$428,000 from operations and \$47,000 from reduction of income taxes on sales of \$8,247,000 compared with operating income of \$203,000 on sales of \$6,220,000 for the year earlier period.

Teledyne Canada services the manufacturing, construction and natural resource industries with specialty metal, welding materials, mining products, tank trailers and chemical and dry-bulk transport.

TELEDYNE CANADA LIMITED - SIX MONTHS ENDED APRIL 30, 1973

	<u>1973</u>	<u>1972</u>
Sales	\$8,247,000	\$6,220,000
Income before special items	428,000	203,000
Reduction of income taxes	47,000	-
Net Income	475,000	203,000
Earnings per share	22¢	10¢
Average shares outstanding	2,116,014	2,107,001

May 14, 1973

TELEDYNE CANADA LIMITED ANNUAL REPORT 1973

Highlights from Annual Reports of Teledyne Canada, Limited

	1973	1972	1971	1970
OPERATING RESULTS				
Revenues	\$18,897,000	\$14,264,000	\$13,532,000	\$14,295,000
Income Before Income Taxes	2,837,000	1,503,000	1,637,000	2,119,000
Provision for Income Taxes	1,357,000	793,000	817,000	1,035,000
Net Income	1,585,000	710,000	992,000	1,183,000
Net Income per share	\$0.75	\$0.34	\$0.47	\$0.56
FINANCIAL POSITION				
Total Assets	14,108,000	11,574,000	11,373,000	11,570,000
Shareholders' Equity	10,904,000	9,290,000	8,203,000	7,191,000
GENERAL STATISTICS				
Average number of shares outstanding	2,117,086	2,109,043	2,103,463	2,100,493
Number of employees	589	498	510	491
Number of facilities	17	20	20	20
Square footage of facilities	253,000	290,000	293,400	290,400

The figures for 1971 and 1970 are for the twelve-month period ended June 30. Net income for 1973, 1971 and 1970 includes extraordinary items of \$105,000, \$172,000 and \$99,000, respectively.

To Our Shareholders:

The Board of Directors is pleased to report that Teledyne Canada Limited achieved the highest sales and earnings in its history during the fiscal year ended October 31, 1973.

Earnings for the twelve-month period were 75 cents per share, up from 34 cents per share for the previous year. Net income for the 1973 fiscal year was \$1,585,000 on sales of \$18,897,000 compared to net income of \$710,000 on sales of \$14,264,000 in 1972.

Shareholders' equity increased to \$10,904,000 in 1973 from \$9,290,000 the previous year, and working capital rose to \$4,920,000 from \$3,515,000 at year end 1972.

During fiscal 1973 \$1,037,000 was invested in new capital equipment, and the company's cash position increased to \$2,411,000.

All divisions maintained a steady earnings growth during the first three quarters. Growth was substantially higher in the fourth quarter due to accelerated demand for products and services as shortages developed in many areas. This general improvement in business activity seems to be carrying on into fiscal 1974. Total production for our Foundry Division, for example, has

already been booked through fiscal 1974 and additional iron melting facilities are being installed to increase capacity in this area. The company is also expanding its metal fabricating facilities in Woodstock to meet customer requirements on contracts extending into 1975.

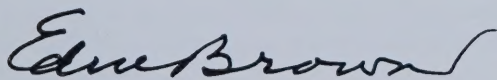
Increased mining activity in Canada during the last quarter resulted in further sales growth in the Mining Products, Harfac and Firth Sterling Divisions.

The Transport Group showed strong activity throughout the year, with unusually full utilization during the national railroad strike. In keeping with our policy of maintaining a fully modernized transport fleet, additional tractors and tank trailers have been placed on order. This new rolling stock will also prepare the company to meet increased demand in the transportation of fuels during the current energy shortage.

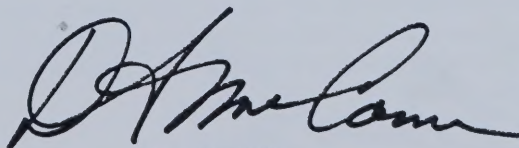
It is with deep regret that we record the death of our fellow Director, J. H. Corrigan, Q. C., in March 1973. Mr. Corrigan had served the company with distinction for many years as an officer and Director.

In August 1973, Mr. R. Alan Eagleson was appointed a Director of the company.

On Behalf of the Board,



E. M. BROWN
Chairman



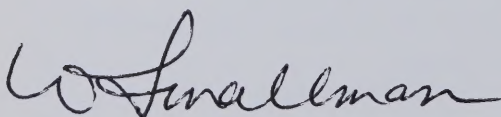
D. S. McCANN
President

TELEDYNE CANADA, LIMITED AND SUBSIDIARIES

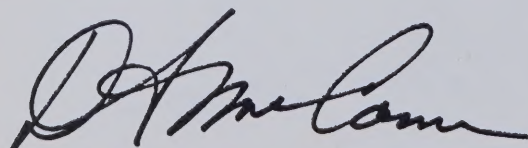
Consolidated Balance Sheets *October 31, 1973 and 1972*

ASSETS	1973	1972
Current Assets:		(Note 1)
Cash	\$ 2,411,000	\$ 568,000
Receivables	2,771,000	2,372,000
Inventories, at the lower of cost (first-in, first-out) or market	1,790,000	1,782,000
Prepaid expenses	234,000	197,000
Total current assets	7,206,000	4,919,000
Property and Equipment, at cost:		
Land	337,000	342,000
Buildings	1,682,000	1,835,000
Equipment	11,646,000	10,742,000
	13,665,000	12,919,000
Less: Accumulated depreciation	8,528,000	8,003,000
	5,137,000	4,916,000
Other Assets:		
Cost in excess of net assets of purchased businesses (Note 2)	1,578,000	1,578,000
Other	187,000	161,000
	1,765,000	1,739,000
	<u>\$14,108,000</u>	<u>\$11,574,000</u>

On Behalf Of The Board:



W. W. Smallman, Director



D. S. McCann, President

LIABILITIES

	1973	1972
Current Liabilities:		(Note 1)
Accounts payable and accrued liabilities	\$ 1,437,000	\$ 1,047,000
Payable to affiliated companies	173,000	—
Income taxes	665,000	156,000
Current portion of long-term debt	11,000	201,000
Total current liabilities	2,286,000	1,404,000
Long-Term Debt (Note 3)	71,000	122,000
Deferred Income Taxes (Note 4)	847,000	758,000
Shareholders' Equity:		
Capital stock (Note 5) —		
Authorized — 5,000,000 shares, no par value		
Issued and outstanding — 2,120,047 shares (1972—2,113,037)	4,265,000	4,236,000
Contributed surplus	86,000	86,000
Retained earnings	6,553,000	4,968,000
Total shareholders' equity	10,904,000	9,290,000
	<u>\$14,108,000</u>	<u>\$11,574,000</u>

The accompanying notes are an integral part of these balance sheets.

Auditors' Report

To the Shareholders of Teledyne Canada, Limited:

We have examined the consolidated balance sheet of TELEDYNE CANADA, LIMITED (an Ontario corporation) and subsidiaries as of October 31, 1973, and the related consolidated statements of income, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements present fairly the financial position of Teledyne Canada, Limited and subsidiaries as of October 31, 1973, and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TORONTO,
November 23, 1973.

ARTHUR ANDERSEN & CO.
Chartered Accountants

TELEDYNE CANADA, LIMITED AND SUBSIDIARIES

Consolidated Statements of Income *for the years ended October 31, 1973 and 1972*

	1973	1972
		(Note 1)
Revenue (Note 6)	\$18,897,000	\$14,264,000
Costs and Expenses:		
Operating costs	15,232,000	11,961,000
Depreciation (Note 7)	816,000	784,000
Interest on long-term debt	12,000	16,000
	16,060,000	12,761,000
Income Before Provision for Income Taxes and Extraordinary Item	2,837,000	1,503,000
Provision for Income Taxes	1,357,000	793,000
Income Before Extraordinary Item	1,480,000	710,000
Sale of Properties (net of \$30,000 in income taxes)	105,000	—
Net Income	\$ 1,585,000	\$ 710,000
Earnings Per Share (based on average outstanding shares):		
Income before extraordinary item	\$0.70	\$0.34
Sale of properties	0.05	—
Net Income	\$0.75	\$0.34

Consolidated Statements of Retained Earnings *for the years ended October 31, 1973 and 1972*

	1973	1972
		(Note 1)
Balance , beginning of year	\$ 4,968,000	\$ 4,258,000
Net income	1,585,000	710,000
Balance , end of year	\$ 6,553,000	\$ 4,968,000

The accompanying notes are an integral part of these statements.

Consolidated Statements of Source and Application of Funds *for the years ended October 31, 1973 and 1972*

	1973	1972
		(Note 1)
Source of Funds:		
Income before extraordinary item	\$1,480,000	\$ 710,000
Add —		
Depreciation	816,000	784,000
Deferred income taxes	89,000	58,000
Total from operations	2,385,000	1,552,000
Extraordinary gain on sale of properties	105,000	—
Issue of capital stock for cash	29,000	27,000
	<u>\$2,519,000</u>	<u>\$1,579,000</u>
Application of Funds:		
Purchase of property and equipment, net	\$1,037,000	\$1,284,000
Decrease in long-term debt	51,000	211,000
Other	26,000	(4,000)
Increase in working capital	1,405,000	88,000
	<u>\$2,519,000</u>	<u>\$1,579,000</u>

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements *October 31, 1973*

1. Comparative financial statements: The consolidated balance sheet as of October 31, 1972, and the related consolidated statements of income, retained earnings and source and application of funds for the year then ended, which are presented for comparative purposes, were examined and reported on by chartered accountants other than Arthur Andersen & Co.

2. Principles of consolidation: The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. All significant intercompany transactions and balances have been eliminated. Cost in excess of net assets of purchased businesses is not being amortized.

3. Long-term debt:

7% Mortgage and equipment purchase contracts, repayable over varying periods to 1981, secured by related property and equipment	\$82,000
Less: Current portion	11,000
	<u>\$71,000</u>

4. Income taxes: Deferred income taxes are provided for timing differences between taxable income and reported income. Undepreciated capital cost of fixed assets, resulting from one company not claiming capital cost allowances in loss years, exceeds net book value by approximately \$450,000 at October 31, 1973. Future tax benefits applicable to this amount will be recorded when realized.

5. Capital stock: At October 31, 1973, 36,918 shares of capital stock were reserved for issuance to employees under a stock purchase plan which expires December, 1979. During 1973, 4,010 shares (amounting to \$18,000) were issued under the plan.

Under the Employees' Stock Option Plan at October 31, 1973, 4,500 shares were reserved for issuance under options expiring December, 1976, at \$3.75 per share and 26,300 shares were reserved for the granting of additional options, with no expiry date. During 1973, options to purchase 3,000 shares were exercised at \$3.75 per share.

6. Revenue: Revenue is divided in the following proportions:

	1973	1972
Service	57%	55%
Manufacturing and sales	43%	45%

7. Depreciation: Transportation equipment is depreciated on a straight-line basis over estimated useful lives of four to five years. Other property and equipment is depreciated at maximum rates allowable under the Income Tax Act.

8. Pension plans: The Company and certain of its subsidiaries have pension plans available to all of their employees. The unfunded liability of these pension plans at October 31, 1973, was approximately \$100,000. The companies intend to fund this amount over various periods to 1989.

9. Statutory information: Remuneration of directors and senior officers as defined under the Ontario Business Corporations Act, amounted to \$207,000 in 1973 and \$178,000 in 1972.

10. Lease commitments: At October 31, 1973, lease commitments expiring at various dates through 1980, are \$1,500,000 including \$350,000 due in 1974.

Board of Directors

E. M. BROWN
D. S. McCANN
S. L. VETTESE
R. ALAN EAGLESON
W. W. SMALLMAN

Officers

E. M. BROWN, *Chairman*
D. S. McCANN, *President*
S. L. VETTESE, *Vice President*
G. P. LANG, *Treasurer*
C. T. LOUGHRIN, *Secretary*
A. W. ELLIOTT, *Assistant Treasurer*

Transfer Agent and Registrar

Montreal Trust Company
15 King Street West
Toronto, Ontario

Corporate Office

15 Brydon Drive
Rexdale, Ontario

Teledyne Canada continues to provide Canadian industry with specialized services from the following divisions, as reviewed in previous reports:

TELEDYNE CANADA BELL FOUNDRY, Winnipeg, Manitoba.

Products: Ductile and gray iron castings.

TELEDYNE CANADA FIRTH STERLING, Brantford, Ontario.

Products: Tungsten carbide sintered metal.

TELEDYNE CANADA HARFAC LIMITED, Vancouver, British Columbia and Toronto, Ontario.

Products: Hardfacing welding wire, welding rod and accessories.

TELEDYNE CANADA METAL PRODUCTS, Woodstock, Ontario.

Products: Sheet metal fabricated units.

TELEDYNE CANADA MINING PRODUCTS, Thornbury, Toronto and Sudbury, Ontario and Vancouver, British Columbia.

Products: Rock drilling equipment, air and hydraulic cylinders, Mercedes-Benz Unimog diesel tractors and allied underground mining equipment.

TELEDYNE CANADA TRANSPORT GROUP, Rexdale, Ontario.

Services: Transport of liquid and dry bulk chemicals and commodities, with terminals in Ontario and Quebec.

TELEDYNE CANADA TVP, London, Ontario.

Products: Special liquid and dry cargo trailers, metal storage facilities and allied products.

TELEDYNE CANADA VASCAN ALLOYS, Toronto, Ontario.

Products: Tool steels, die steels, stainless steels and high temperature alloys.

